

COMMUNITY DEVELOPMENT BLOCK GRANT

Program Guidelines
May 2023



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Section I – General

A. Introduction

The mission of the Department of Community and Economic Development (DCED) is to encourage the shared prosperity of all Pennsylvanians by supporting good stewardship and sustainable development initiatives across our commonwealth. With a keen eye toward diversity and inclusiveness, DCED acts as advisors and advocates, providing strategic technical assistance, training, and financial resources to help our communities and industries flourish. The Department's 2023-2024 priority is to revive Pennsylvania's economy by providing tax credits and targeted assistance to distressed areas and low-income populations with a strategic focus on community participation and collaborations among residents, nonprofits, and businesses.

Pennsylvania's renaissance will be driven by increased community revitalization efforts. This illuminates the importance of programs such as the Community Development Block Grant program to provide support and opportunity for every neighborhood and community in the commonwealth. The Community Development Block Grant program will offer a proactive approach with respect to its goals, which are ultimately to offer additional resources in assisting neighborhoods with fiscal difficulties and to avert adverse impacts on health, safety and the welfare of Pennsylvania communities, helping them to get on the right track to good fiscal well-being.

B. Federal Requirements

Legislative Authorization:

- 42 USC 5301 – Housing and Community Development Act
- 24 CFR Part 570 – Community Development Block Grant Regulations
- 35 P.S. 1751 – Community Development Block Grant Entitlement Program for Nonurban Counties and Certain Other Municipalities, commonly referred to as Small Communities Block Grant (Act 179 of 1984)

C. All Applicants

To apply for funding, the applicant must submit the electronic on-line DCED Single Application for Assistance located at dced.pa.gov/singleapp.

The application must be submitted to the Department of Community and Economic Development, Center for Community and Housing Development through the Electronic Single Application.

Paper copies will not be accepted.

Direct any questions in preparing the Application to your designated Grant Manager.

If you do not know who your Grant Manager is reach out to: ra-dcedCDBGhomequestions@pa.gov

Section II – Application Submission: Single Application

A. All Applicants

To apply for funding, the applicant must submit the electronic on-line DCED Single Application for Assistance located at dced.pa.gov/singleapp. Required Addenda must be attached electronically to the application on the Addenda tab.

Paper copies will not be accepted.

B. Applicants for the Competitive Set-Aside

Up to twelve percent (12%) of the annual CDBG allocation will be set-aside for the Competitive Program for projects in smaller municipalities that are eligible under Act 179.

Eligible applicants are any eligible Act 179 entitlement municipality with a population less than 10,000 or any non-entitlement municipality. An Eligible state (Act 179) entitlement entity applying for competitive funds must allocate 75% of its entitlement allocation towards the proposed project.

DCED uses the following ranked priorities in selecting CDBG Competitive applications for approval.

1. Water and Sewer Infrastructure Projects
2. Impactful neighborhood streetscapes
3. Slum/blight removal for community revitalization
4. Resiliency projects – projects that lessen the impacts of natural disasters

C. Date for Submission

Applications may be submitted at any time after the applicant has met its Citizen Participation requirements and the unit of local government has approved the submission of the application to DCED. Applications are due as follows:

- Entitlement Submission Due Date: Friday, October 20, 2023
- Competitive Application Submission Due Date: Friday, February 2, 2024

Direct any questions in preparing the application to your designated Grant Manager.

Section III – CDBG Application Checklist

The forms below are available to applicants as Addenda in the Electronic Single Application submission portal and are not included in the Application Guidance. Applicants will follow the instructions to complete and upload all required Addenda to the Electronic Single Application as well as follow instructions for documentation that must be maintained locally. Below is a checklist to ensure a complete application and submission:

- ☐ **Resolution Unit of Local Government**
(DCED-CDBG-CV-116) Revised Form
- ☐ **Citizen Participation Report**
(DCED-CDBG-011)
- ☐ **Management Plan/Local Staff Capacity**
(DCED-CDBG-003)
- ☐ **Timeliness**
(DCED-CDBG-004)
- ☐ **Three Year Community Development Plan**
(DCED-CDBG-017) *must include the identified components below. (CDP is modified for competitive application submissions):*
 - ☐ Description of low and moderate income and minority persons based on ACS data and/or surveys
 - ☐ Assessment of community development needs relating to housing, public community facilities and improvements, public services, and economic development
 - ☐ Analysis of community development needs of low- and moderate-income (Low Mod) areas identified through ACS data or surveys
 - ☐ Explanation of how the community development objectives address the identified needs with emphasis on benefit to low/moderate income persons. If Low Mod areas are identified with no funding, provide an explanation for this conclusion
 - ☐ Short term (1 year) and long term (3 year) plan which identifies activities that are designed to meet the CD objectives
 - ☐ List the resources that were considered when developing the local and/or area wide plans
 - ☐ **REQUIRED:** A map or maps that depict:
 - Municipal **census** geography w/boundaries; includes identifying census tracts and block groups
 - Location of low/mod income persons within each Census Tract
 - Incidence & concentration of minority within each Census Tract
 - Location of each activity selected
 - Identify the service area benefiting each submitted project. The individual projects with identified service areas may be separate maps attached to each activity description. [DCED recommends using [HUD's Mapping Tool](#)]
- ☐ **Activity Description(s)** (DCED-CDBG-007)
The Activity Description should include:
1) the project need – what is the problem being addressed and how does it impact the service area beneficiaries; 2) explanation of the need for CDBG funding; 3) quantity of the improvement and location of activity within the service area; 4) how the activity meets a national objective; and 5) beneficiaries, including total, Very Low Income (VLI) and Low Moderate Income (LMI), of the activities.
 - ☐ Map w/jurisdiction boundaries shown for example census tract or block group, the project area identified, the service area, and the survey area corresponding to the service area (if applicable)
 - ☐ Multi-year project? ☐ Yes or ☐ No
 - ☐ Appropriate National Objective selected
 - ☐ Answered all questions related to the selected national objective
 - ☐ Current pictures of the proposed project or project area (*strongly recommended*)
 - ☐ Administrative Costs form
 - ☐ **Project Budget**
(DCED-CDBG-012) *Must include an itemized breakdown for each line item identified with all sources and uses of funds identified.*
 - ☐ **Project Completion Timetable**
(DCED-CDBG-013)

- ☐ **Limited Clientele Worksheet Reporting**
(DCED-CDBG-014)
- ☐ **Local Effort/User Fee Analysis**
(DCED-CDBG-008)
(required for funding for all water and sewer projects – new and existing)
- ☐ **Activity Description – Administrative Expenses**
(DCED-CDBG-016)
- ☐ **LMI Principal Benefit Determination**
(DCED-CDBG-009)
- ☐ **Limited English Proficiency**
Certification of Completion of a Four-Factor Analysis and of the Activities to be Included in the Language Access Plan
(DCED-CDBG-018)
 - ☐ **Four-Factor Analysis Completion and Findings Certification**
(DCED-CDBG-019)
 - ☐ **Language Access Plan Certification**
(DCED-CDBG-020)
- ☐ **DCED Land Use Implementation**
 - ☐ Letter from appropriate local and county planning agency certifying compliance
(if applicable) or marked N/A.
- ☐ **Appendix A – CDBG Public Service Activities**
(if applicable)
- ☐ **Appendix B – Service Areas & Survey Methodology** (if applicable) please include the following:
 - ☐ Demographic Survey Coversheet
 - ☐ Include script and outreach
 - ☐ Copy of sample survey form
 - ☐ Map of survey area
 - ☐ Survey Worksheet included
 - ☐ Survey Results (K-2 form)

Current forms are available in the [federal resource library at dced.pa.gov/library](https://dced.pa.gov/library)
- ☐ **Determining Service Areas**
- ☐ **Other Supporting Documents Included**
Such as pictures, newspaper articles, test results, consent orders, other pertinent documents.
(to support the proposed project)

Section IV – Other Federal Requirements

A. Instructions for Completion of Disclosure Report

All applicants for CDBG grants must complete and submit Parts I and II of the Disclosure Report and make this information available upon request. At the completion of Part II of the report, some applicants will find that they must complete Parts III, IV, V and VI.

Part I requires the applicant's name, address, phone and Federal Employer Identification number; indication as to whether this is an initial report or an update (all applicants will check the initial report box); the fiscal year CDBG funds subject to the disclosure; a check as to whether the disclosure is related to an entitlement or competitive application; the amount of CDBG funds being requested; the amount of any CDBG program income that will be used with the CDBG grant; and, the total amount (CDBG grant and program income).

Part II asks two questions. If the answer to both questions is "no," the applicant must provide the certification at the end of Part II, but is not required to complete the remainder of the report. If the answer to either question is "yes" the applicant must complete the remainder of the report.

Part III requires information on any other Federal, State and/or local assistance that is to be used in conjunction with the CDBG project.

Part IV requires the identification of interested parties. Interested parties are persons and entities with a reportable financial interest in the project. If an entity is being disclosed, the disclosure in Part IV must include an identification of each officer, director, principal stockholder or other official of the entity. All consultants, developers or contractors involved in the application for CDBG assistance, or in the planning, development or implementation of the project, must be identified as an interested party. Also, any other person or entity that has a pecuniary interest in the project that exceeds \$50,000 or 10 percent of the CDBG assistance, whichever is lower, must be listed as an interested party. Pecuniary interest means any financial involvement in the project, including (but not limited to) situations in which a person or entity has an equity interest in the project, shares in any profit or resale or any distribution of surplus cash or other assets of the project or receives compensation for any goods or services provided in connection with the project. (The following are not considered interested parties: local CDBG administrative staff, recipients of housing rehab assistance, and rehab contractors as long as the rehab agreement is between the property owner and the contractor).

It is realized that at the time of application, applicants may not be aware of all interested parties since contracts and agreements for goods and services are not generally awarded until after notice of grant award. Subsequent to grant award, as projects are being implemented, funds will be committed to interested parties which will necessitate the submission of an updated Disclosure Report. However, if an applicant identifies under Part III of the Disclosure Report, other governmental assistance that is to be used in conjunction with projects funded with CDBG and, if these other funds have been committed to interested parties, then these interested parties must be identified in Part IV.

B. HUD Programs Subject to Disclosure

This Section contains a list of all the HUD Programs that are subject to the disclosure requirements of the HUD Reform Act (42 U.S.C. §3545). All applicants for CDBG assistance must review this list to determine if they are receiving, or expect to receive, assistance from other covered programs besides CDBG. Applicants must consider HUD funds that are received either directly from HUD or through the State. The State administered CDBG Program is listed at item 3(v).

It is the total amount of funds received from all the below sources that the applicant uses to answer the second question of Part II of the Disclosure Report.

- (1) Section 312 Rehabilitation Loans under 24 CFR part 510, except loans for single family properties.
- (2) Applications for grant amounts for a specific project or activity under the Rental Rehabilitation Grant Program under 24 CFR part 511 made to:
 - (i) A State grantee under Subpart F.
 - (ii) A unit of general local government or a consortium of units of general local government or a consortium of units of general local government receiving funds from a State or directly from HUD whether by formula under Subparts D, F, and G.
 - (iii) HUD, for technical assistance under 511.3.

(Excludes formula distributions to States, units of general local government, or consortia of units of general local government under Subparts D and G, within year reallocations under Subpart D, and the HUD-administered Small Cities Program under Subpart F.)

- (3) Applications for grant amounts for a specific project or activity under Title I of the Housing and Community Development Act of 1974 made to:
 - (i) HUD, for a Special Purpose Grant under Section 105 of the Department of Housing and Urban Development Reform Act of 1989 for technical assistance, the Work Study Program of Historically Black colleges.
 - (ii) HUD, for a loan guarantee under 24 CFR part 570, Subpart M.
 - (iii) HUD, for a grant to an Indian tribe under Title I of the Housing and Community Development Act of 1974.
 - (iv) HUD, for a grant under the HUD-administered Small Cities Program under 24 CFR part 570, Subpart F.
 - (v) A State or unit of general local government under 24 CFR part 570.
- (4) Applications for grant amounts for a specific project or activity under the Emergency Solutions Grants Program under 24 CFR part 576 made to a State or to unit of general local government, including a Territory.

(Excludes formula distributions to States and units of general local government (including Territories); reallocations to States, units of general local government (including Territories) non-profit organizations; and applications to an entity other than HUD or a State or unit of general local government.)

- (5) Transitional Housing under 24 CFR part 578.
- (6) Permanent Supportive Housing under 24 CFR part 578.

- (7) Section 8 Housing Assistance Payments (only project-based housing under the Existing Housing and Moderate Rehabilitation program for Single Room Occupancy Dwellings for the Homeless under 24 CFR part 882, Subpart H).
- (8) Section 8 Housing Assistance Payments for Housing for the Elderly and Persons with Disabilities under 24 CFR part 891
- (9) Loans for Housing for the Elderly or Handicapped under Section 202 of the Housing Act of 1959 (including operating assistance for Housing for the Handicapped under Section 162 of the Housing and Community Development Act of 1987 and Seed Money Loans under Section 106(b) of the Housing and Urban Development Act of 1968).
- (10) Section 8 Housing Assistance Payments-Special Allocations-under 24 CFR part 886.
- (11) Assistance for troubled multifamily housing projects under 12 USCS Section 1715z-1a.
- (12) Low-Rent Housing Opportunities under 24 CFR part 904.
- (13) Indian Housing under 24 CFR part 905.
- (14) Public Housing Development under 24 CFR part 941.
- (15) Comprehensive Improvement Assistance under 24 CFR part 968.
- (16) Resident Management under 24 CFR part 964, Subpart C.
- (17) Neighborhood Development Demonstration under Section 123 of the Housing and Urban-Rural Recovery Act of 1983.
- (18) Nehemiah Grants under 24 CFR part 280.
- (19) Research and Technology Grants under Title V of the Housing and Urban Development Action Grant of 1970.
- (20) Congregate Services under the Congregate Housing Services Act of 1978.
- (21) Counseling under Section 106 of the Housing and Urban Development Act of 1968.
- (22) Fair Housing Initiatives under 24 CFR part 125.
- (23) Public Housing Drug Elimination Grants under Section 5129 of the Anti-Drug Abuse Act of 1988.
- (24) Fair Housing Assistance under 24 CFR part 111.
- (25) Public Housing Early Childhood Development Grants under Section 222 of the Housing and Urban-Rural Recovery Act of 1983.
- (26) Mortgage Insurance under 24 CFR Subtitle B, Chapter II (only multifamily and nonresidential).
- (27) Use of Federal Real Property to Assist the Homeless under 24 CFR Part 581.
- (28) Shelter Plus Care Assistance under Section 837 of the Cranston-Gonzalez National Affordable Housing Act.
- (29) Planning and Implementation Grants for HOPE for Public and Indian Housing Homeownership under Title IV, Subtitle A, of the Cranston-Gonzalez National Affordable Housing Act.
- (30) Planning and Implementation Grants for HOPE for Homeownership of Multifamily Units under Title IV, Subtitle B, of the Cranston-Gonzalez National Affordable Housing Act.
- (31) HOPE for Elderly Independence Demonstration under Section 803 of the Cranston-Gonzalez National Affordable Housing Act.

C. Instructions for Compliance with Fair Housing and Civil Rights Requirements in the Application Process

Entitlement applicants must maintain in local files, the following documentation to support compliance with these federal requirements. This documentation must be made available upon request.

1. Fair Housing

a. Entitlement Grantee

i. Fair Housing Advertisement:

Entitlement applicants must maintain a copy of a published advertisement re-designating a Fair Housing Officer within their municipality. This advertisement must also inform residents of their rights under the Fair Housing law and that cases of suspicious discrimination are to be reported to the Fair Housing Officer. Communities that cannot identify a person qualified to serve as a Fair Housing Officer must publish an advertisement that provides an alternative agency, who will take discrimination complaints.

If a community designates a Fair Housing Officer, that officer will be *responsible* for the following:

– Forwarding all complaints of housing discrimination to:

Pennsylvania Human Relations
Commission
Pittsburgh Regional Office
301 Fifth Avenue
Suite 390, Piatt Place
Pittsburgh, PA 15222
(412) 565-5395
(412) 565-5711 TTY users only

OR

Pennsylvania Human Relations
Commission
Philadelphia Regional Office
110 North 8th Street, Suite 501
Philadelphia, PA 19107
(215) 560-2496
(215) 560-3599 TTY users only

OR

Pennsylvania Human Relations
Commission
Harrisburg Regional Office
333 Market Street, 8th Floor
Harrisburg, PA 17101-2210
(717) 787-9780
(717) 787-7279 TTY users

AND

U.S. Department of Housing
and Urban Development
FHEO/Regional III Office Mid-Atlantic Office
100 Penn Square East, 12th Floor
Philadelphia, PA 19107-3380
(215) 861-7643
(888) 799-2085
Fax: (215) 656-3449
TTY: (215) 656-3450

OR

U.S. Department of Housing
and Urban Development
PITTSBURGH FHEO FIELD OFFICE
Moorhead Federal Building
1000 Liberty Avenue
Pittsburgh, PA 15222
(412) 644-5449 or (412) 644-6353
Fax: (412) 644-6516
TTY: (800) 927-9275

- Maintaining a record of all complaints filed, dates forwarded to appropriate agencies, and evidence of resolution. This record will be part of the grantees annual reporting to the Department for compliance and will be reviewed during monitoring.
- ii. Adoption of a Fair Housing Resolution by the Applicant/Grantee
Entitlement applicants must have a fair housing resolution adopted annually affirming its dedication to further Fair Housing Practices within its jurisdiction. This notice identifies typical discriminatory acts, informs residents of their rights under the fair housing law and that cases of suspected discrimination are to be reported to the Fair Housing Officer. **This Notice must be posted at prominent locations throughout the municipality and a record of the postings must be kept on file for monitoring.**
- iii. All Entitlement applicants must annually undertake and report on actions to affirmatively further fair housing in accordance with the Fair Housing Guidance located in the Federal Resource Library: dced.pa.gov/download/fair-housing-tip-sheet/59662

b. **Competitive Applicants**

Competitive applicants are not required to address the Fair Housing requirements at the application stage. Those competitive applicants that are selected for funding will be instructed to fulfill these requirements subsequent to notification of grant award.

2. **Section 504**

a. **Entitlement Grantee with more than Fifteen 15 Employees**

- i. Section 504 Officer:
Entitlement applicants with over fifteen (15) employees must re-designate a Section 504 Officer annually within their municipality. This designation must be made in writing and at a public meeting. **A copy of this notice must be maintained in files locally and made available upon request.**
- ii. The Officer's duties include:
 - Compile and maintain a Self - Evaluation of the grantee's facilities, hiring practices, and citizen participation, as well as each activity funded with the CDBG grant, to assure that there has been no discrimination in the providing of services to individuals with a physical or mental impairment that substantially limits one or more major life activities. From this self-evaluation, the municipality will develop a Transitional Plan to provide a timetable and responsible entity to bring the municipality into compliance. The Section 504 Officer will oversee that the municipality follows the Transition Plan and brings the municipality into compliance. Please refer to the [Federal Resource Library on DCED's website at dced.pa.gov/library](https://dced.pa.gov/library).
 - The municipality will develop and maintain a grievance procedure that must also be adopted incorporating due process standards and allowing for prompt local resolution of any complaints of discrimination based on disability. Existing grievance procedures can often be adapted to satisfy this requirement. Any individual or authorized representative who believes that they have been denied opportunities or treated differently due to their race, color, national origin, sex, disability, religion, familial status, age or ancestry may file a complaint with the Section 504 Officer. The Officer must act on the complaint and maintain the records of the process for monitoring.

b. **Competitive Applicants**

Competitive applicants are not required to address the Section 504 requirements at the application stage. Those competitive applicants that are selected for funding will be instructed to fulfill these requirements subsequent to notification of grant award.

3. **Minority/Women Business Enterprise (MBE/WBE) Plan**

It is required that all grantees receiving federal funds from DCED must promote the opportunity for full participation by minority and women's business enterprises ("MBEs" and "WBEs") in all housing and community development programs receiving funds from the Pennsylvania Department of Community and Economic Development. This includes all forms of procurement and contracting. Grantees are required to maintain sufficient documentation to verify that this requirement has been met.

- a. All **entitlement** applicants are reminded that they are to adopt and provide a good faith, comprehensive and continuing endeavor to their MBE/WBE Outreach Plan. One portion of the plan establishes minority owned business enterprise (MBE), and women owned business enterprise (WBE), minimum participation levels (MPLs) to be used as a guide in determining bidders' compliance with Federal MBE and WBE requirements.

As part of the application process, the applicant must maintain documentation locally, on grantee letterhead, and must indicate:

- i. the minimum participation level as established in their plan
 - ii. the previous calendar year's achievement of the MBE and WBE goals with the actual percentage of total contract awards that went to each category. (ie: 2016 application = 2015 achievement percentage)
 - iii. actions to be taken by the applicant to achieve these goals in the current year if not achieved
- b. **Competitive Applicants**
Competitive applicants that are awarded competitive grants will be required to adopt and follow an MBE/WBE Outreach Plan subsequent to notification of grant award, including minimum participation levels.

NOTE: Applicants for Competitive CDBG Funding – Non-entitlement municipalities are encouraged to seek assistance in applying for funds through the County administrators.

4. **Reporting Requirements**

DCED makes available its Reports Schedule to all grantees for the CDBG program. Required reports will include but not be limited to:

- Applicant Data for Direct Benefit Activities
- Beneficiary Report for Low Moderate Area Benefit Activities
- Fair Housing
- Labor Standards Enforcement Report
- MBE/WBE Reports
- Section 3 Summary Report
- MAPR
- Client Tracker Form

V. State Requirements

A. DCED Land Use Implementation

Since 2000, when the Growing Smarter land use bills were signed into law, DCED has been encouraging effective local land use planning while respecting private property rights. These measures have included a review for certain projects occurring on previously undeveloped property, requiring the grantee to submit a letter from the appropriate local and county planning agency where they exist.

B. Obtaining Information about Planning and Zoning

For projects funded with CDBG funds (beginning with the 2001), where infrastructure and/or construction of new facilities (public/community facilities, water/sewer facilities, housing, economic development, etc.) will occur on previously undeveloped property, the grantee must submit a letter from the appropriate local and county planning agency (where they exist) specifically identifying the project(s) and certifying that the project(s) is(are) in compliance with all applicable land use and comprehensive plans, and zoning and subdivision ordinances. This letter should be uploaded in the ESA with the Community Development Plan. Prior to submitting this letter, CDBG Program applicants must review the questions below regarding comprehensive planning and zoning ordinances to determine the applicability of the PA Municipal Planning Code.

- Is there an adopted municipal comprehensive plan?
- Is there an adopted county comprehensive plan?
- Is there an adopted multi-municipal or multi-county comprehensive plan?
- Is there an adopted county or municipal zoning ordinance or a joint municipal zoning ordinance?
- Is the proposed project consistent with these comprehensive plans and/or ordinances?

This requirement is not applicable to projects that occur on developed or previously developed property.

Section VI – Supplemental CDBG Required Plans and Documentation

The following documents, plans, templates, and other resources are available on DCED's website at the following link: [dced.pa.gov/library/federal program resource library](https://dced.pa.gov/library/federal-program-resource-library)

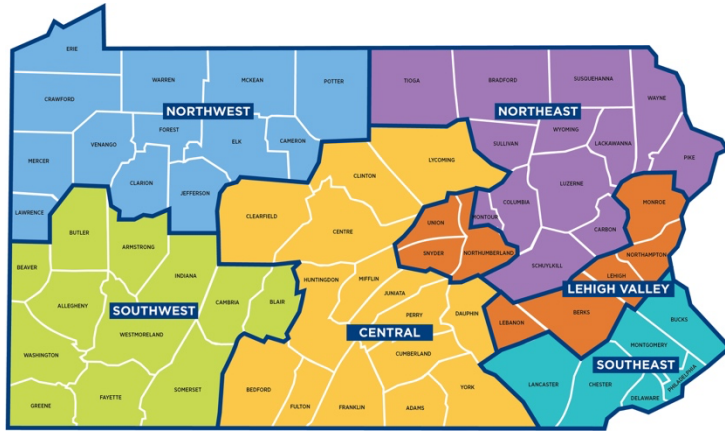
- **Citizen Participation Plan and Sample Public Notices**
(Municipally adopted and reviewed annually)
- **Definition of Family versus Household Income**
(Required for eligibility)
- **Environmental Tip Sheets**
(Guidance and Required Documentation)
- **Fair Housing Notice and Sample Ad and Resolution**
(Required with application submission and annual action steps)
- **MBE/WBE Plan**
(Municipally adopted and implemented, when applicable)
- **Residential Anti-Displacement and Relocation Plan**
(Municipally adopted and reviewed annually)
- **Revisions and Modifications Templates**
- **Section 3 Plan**
(Municipally adopted and implemented, when applicable)
- **Three Year Activity Completion Extension Template**

For information on proving the National Objective and Eligibility HUD provides resources are the following website: hudexchange.info/programs/cdbg-state

Please review and note which items require an annual review and update. This list will be updated periodically as the Center for Community and Housing Development updates program resources.

Regional Offices

Pennsylvania Department of Community and Economic Development dced.pa.gov



Central

Adams, Bedford, Centre, Clearfield, Clinton, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lycoming, Mifflin, Perry, and York counties

Department of Community
and Economic Development

Madra Clay, Director

400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225

(717) 720-7397

maclay@pa.gov

Southeast

Bucks, Chester, Delaware, Lancaster, Montgomery and Philadelphia counties

Department of Community
and Economic Development

Michael Shorr, Director

110 North 8th Street, Suite 505
Philadelphia, PA 19107-2471

(215) 560-3793

Fax: (215) 560-5832

mshorr@pa.gov

Southwest

Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Fayette, Greene, Indiana, Somerset, Washington, and Westmoreland counties

Department of Community
and Economic Development

Johnna Pro, Director

301 Fifth Avenue, Suite 250
Pittsburgh, PA 15222

(412) 565-5098

Fax: (412) 565-2635

jopro@pa.gov

Northeast

Bradford, Carbon, Columbia, Lackawanna, Luzerne, Montour, Pike, Schuylkill, Sullivan, Susquehanna, Tioga, Wayne and Wyoming counties

Department of Community
and Economic Development

Paul Macknosky, Director

2 North Main Street
Pittston, PA 18640

(570) 963-4122

Fax: (570) 654-6315

pmacknosky@pa.gov

Northwest

Cameron, Clarion, Crawford, Elk, Erie, Forest, Jefferson, Lawrence, McKean, Mercer, Potter, Venango, and Warren counties

Department of Community
and Economic Development

Christi Martone, Director

100 State Street, Suite 205
Erie, PA 16507

(814) 871-4241

cmartone@pa.gov

Lehigh Valley

Berks, Lehigh, Monroe, Lebanon, Northampton, Northumberland, Snyder, and Union counties

Department of Community
and Economic Development

Fadia Halma, Director

449 Wild Mint Lane
Allentown, PA 18104

(717) 877-8481

fhalma@pa.gov

Appendix A – CDBG Public Service Activities

A. Eligibility

Eligibility defined at Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. §3505(a)) and 570.482 of CDBG Entitlement Regulations. For additional information, please refer to the *State Community Development Block Grant Program -- Guide to National Objectives and Eligible Activities*.

Eligible CDBG public services include but are not limited to the following:

Child Care	Job Training	Education Programs
Health Care	Recreation Programs	Public Safety Services
Fair Housing Activities	Services for Senior Citizens	Services for Homeless
Drug Abuse Counseling/Treatment	Energy Conservation Counseling & Testing	
Homebuyer Down payment Assistance	Welfare (excluding income payments)	

Eligible public service costs include labor, supplies and materials.

To be eligible for CDBG funding, a public service activity must be:

- a new service, or
- a quantifiable increase in the level of an existing service

1. New Service

If it is a new public service activity (new to the community) at the time CDBG funds are first used to support the activity, it can be considered a new activity for three (3) consecutive years (DCED's policy). Therefore, CDBG funds could be used to support the activity in the second and/or third year without any consideration as to whether there is a quantifiable increase in the level of service from one year to the next.

2. Quantifiable Increase

At the time CDBG funds are first used for a public service activity that is already in existence, it must be demonstrated that as a result of the CDBG funds there will be a quantifiable increase in the level of the existing service. (The purpose of this requirement is to prevent CDBG funds from being used to merely replace other funds without an increase in the level of the public service.)

The quantifiable increase must be over and above the level of service provided by the local government, or by another agency or organization on behalf of the local government, through funds raised by the local government or received from the commonwealth.

The increase in the level of service must be an increase over that which existed in the twelve (12) months immediately prior to the submission of the application or modification proposing the use of CDBG funds for the service.

CDBG funds can only be used to pay for the quantifiable increase in the public service, except, if CDBG funds are substituted for federal or private funds, a quantifiable increase in the public service is not necessary. Again, CDBG funds may not be used to substitute for local or commonwealth funds.

3. Questions on Eligibility

a. *Define quantifiable increase.*

The regulations do not prescribe what constitutes a quantifiable increase. DCED's policy takes the position, generally, that a quantifiable increase must be legitimate and not artificial, involving additional staff costs and time resulting in an increase in the number of clients served. With these general parameters, DCED considers each request. Examples of what has not been accepted include such requests as: a new van to replace an old one resulting in less breakdowns and less interruptions in service, possibly allowing for serving more clients; a dental service expanding the level of service from performing fillings and cleaning to orthodontics.

b. *How does the three-year timeframe work?*

After a determination has been made that an activity qualifies as a new service or a quantifiable increase, that activity may be funded for the initial year and two successive years without further evaluation or qualification, provided the level of service stays the same.

Whether CDBG was used only in the first year, for only two years or for all three years, the grantee cannot come back after year three and use CDBG funds for this particular public service on the basis that it is a new activity, or at the quantifiable increase in level of service that originally qualified it. (The "three-consecutive year" requirement applies to the activity and not to years of CDBG assistance). After the three years have expired, the activity must be qualified based on a quantifiable increase in the level of service.

c. *Does CDBG funding in a public service trigger other compliance requirements, similar to CDBG funding of an infrastructure project?*

Any private sector professional service or purchase of materials or supplies directly funded by CDBG must adhere to the competitive procurement requirements, as specified in DCED's Program Administrative Manual. Provided CDBG funds are not used to fund any construction contract over \$2,000 that may be undertaken to compliment the public service, federal wage rates would not apply. Adhering to the civil rights requirements applies to all activities.

B. Fundability

Each public service activity must meet either the low and moderate-income benefit or slum and blight national objective. Low and moderate income can be met either by area benefit or limited clientele. Limited clientele must be based on documentation that clearly shows that 51% or greater of the beneficiaries will be, or has been, in the case of an existing service, low and moderate income. Public service activities may also be qualified based on the area slum and blight category.

Appendix B – Service Areas and Survey Methodology for Area Benefit Activities

Definition – Area Benefit (570.483 (b)(1))

An activity, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low and moderate-income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries but must be the entire area served by the activity. An activity that serves an area that is not primarily residential in character shall not qualify under the criterion.

A. Process

1. Determine Service Area Boundary

a. Problem/Solution

What is/are the problem(s), or need(s)? What is the solution? Where multiple problems or needs are to be addressed, are they clearly delineated, and is there a primary problem or need? Who principally or primarily will be served?

b. Nature/Type Activity

Does the nature or type of activity inherently help to determine the service area, i.e., direct benefit, or area-wide in nature (new sanitary sewer collection or water distribution; neighborhood park or Central Business District [CBD] improvements)?

c. Level of Funding

Are there sufficient funds to meet the need or solve the problem, or if only partially, will proposed activity be functional, and beneficiaries able to be determined?

d. Document Service Area Boundary

After considering the activity problem and solution, the nature and type of activity, and the level of funding, determine and document the appropriate boundary of the service area.

2. Document Low and Moderate-Income Percent for Activity's Beneficiaries

a. American Community Survey (ACS) Data

If service area boundary coincides with HUD provided Low/Moderate Income Summary 2011-2015 Data, determine if the data is equal to or greater than 51% low and moderate income, and document results. (Refer to HUD CPD Notice 19-02 dated February 14, 2019.)

If service area nearly coincides with ACS data, consult with DCED to evaluate the data and determine if it is reasonable to justify the low and moderate-income benefit. ACS data for different census geography (i.e., Census Tract [CT], Census Designated Place [CDP], or Block Group [BG]) may be added to determine overall LMI percent. The ACS data is located in the Federal Programs Resource Library at dced.pa.gov/library.

b. Survey

If ACS data cannot appropriately be used, a survey may be conducted to determine the percentage of low and moderate-income people within the service area.

Surveys must be conducted and evaluated in accordance with HUD's most current CPD Notice on Survey Methodology. Grantees must use DCED's most current forms for conducting surveys.

B. Determining Service Areas Examples

1. Streets

a. **Dead End/Cul-de-sacs**

Street that serves only those residents living along the street; survey must be done unless it serves presumed low-moderate beneficiaries, i.e., public housing.

b. **Local/Neighborhood Street**

- Through street with primary beneficiaries being that street.
- Can be justified by using smallest census geography for a borough or city (i.e., B.G.), or by doing survey of street.
- In townships where there may only be E.D.'s, and the village service area does not coincide with an E.D., then survey is needed.

c. **Minor Collector (arterial)**

- Street that certainly serves more than a block group or neighborhood, but due to traffic patterns, land use, etc., the primary beneficiaries are less than the entire City, Borough or Township. This area might combine a number of block groups or CT's.
- Cannot isolate one smaller area for low-moderate benefit.

d. **Major Collector (arterial)**

- Street that serves the entire municipality (e.g., main street).
- In some instances where main street carries heavy truck traffic or cars from one municipality to another, it is acceptable to limit the service area to the local jurisdiction in most instances.
- Cannot isolate small area for low-moderate benefit.

2. Storm Sewers

While rehab of streets only is not too complicated in understanding the improvement, storm sewers can become very complicated.

- What is the problem? Engineer's analysis can be very helpful.
- Is the problem and solution limited or comprehensive in solving several problems? Is problem localized or system-wide?
- Is problem more a storm water effect on residences, or a street problem?

3. Multiple Problems

- Some actives have elements that could be applied to multiple eligibility codes. In these instances, the correct eligibility code will be selected by determining the primary driver of the project.
- Engineer's analysis is important. In most cases, the primary driver will be whatever the majority of the funds are going towards.

4. Renovations-Sanitary Sewer/Storm/Water

- Localized or system-wide effect? What is primary? Source, distribution, collection, treatment, pressure, etc.
- If the problem is an inflow or infiltration issue, the jurisdiction needs to look at who is being served by the sewage treatment plant.

5. New Water/Sanitary Sewer

- Easier to deal with when connection / tap-in to system determines beneficiaries.
- Up until time of fundability determination, grantee responsible for ensuring low-moderate benefit. After fundability determination, grantee not responsible for people moving in or out, and low-moderate not met.
- Size of lines may be questionable in relation to service area, or knowledge of new development by grantee that is not included in service area that is under construction.
- Prior to installation of any new system or extension, jurisdiction must ensure no new development or significant changes to the service area have or will occur.

6. Parks

- Nature of the park where improvements are made.
- Type of facilities constructed or improved.
- Primary service area & agency responsible for operation/maintenance

7. Fire Stations

- Logical service area for station, excluding multi-alarm fires (e.g.: Primary response area is defined by the fire department).

8. Central Business District (CBD)

- Logical service area for the downtown will primarily be the municipality.